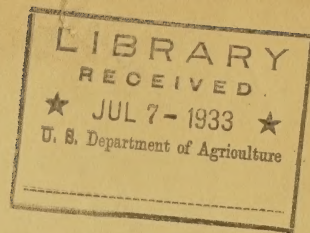


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THE COTTON PLAN IN BRIEF

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Cotton producers will be asked to sign contracts offering to lease a definite amount of their cotton acreage to the Secretary of Agriculture. "Cotton Week", beginning during the week of June 26, will be held throughout the Cotton Belt---a week's intensive campaign to procure the producer's cooperation.

If a sufficient number of offers have been received by the Secretary to justify an acreage reduction program, he will accept them. An effort will be made to act upon these offers within a week or 10 days after the campaign has been launched.

The consideration offered the cotton producer for his land is contained in two alternative plans:

(1) A cash payment in consideration of cooperation, based on the productivity of the land, and ranging from \$6 per acre for land yielding on the average around 100 pounds lint cotton per acre to \$12 for land yielding on the average 275 pounds or more per acre, plus an option on government-held cotton in an amount equal to that which the producer agrees to retire from production, and at a price of 6 cents per pound.

(2) A cash benefit without the cotton option, the amount of such benefit on a per acre basis, to range from \$7 for land yielding from 100-124 pounds per acre to \$20 for land yielding 275 pounds or more per acre.

If a sufficient number of offers is received to insure effective reduction of production, and the Secretary announces his intention to pay benefits, a processing tax must be in effect as of the beginning of the marketing year, which for cotton is about August 1. The amount of the tax will be computed after a proclamation by the Secretary announcing his determination to pay benefits and under the law will be the difference between the current average farm price and the fair exchange value. The current average farm price is



to be determined from available statistics in the Department of Agriculture.

The amount of acreage to be retired from production will be determined by the Secretary after the offers have been received. No definite amount of acreage is predetermined except to procure a sufficient amount of production to be retired as will effectively eliminate a substantial portion of this year's crop and reduce excessive supplies.

